

Redraft of Letter to Corporation Presidents

In September 1977 I sent you a letter expressing my disappointment with the security programs of several major contractors engaged in contracting activities funded or administered by the Central Intelligence Agency. I asked you then for your cooperation in bringing about higher standards of security performance throughout our industrial effort.

In the year and a half since then, I am happy to report, we have seen steady improvement in industrial security procedures. (Add in some specifics about the number of inspections we have held and how many have been satisfactory, the number of conferences we have held, and any other indicators of improvement.)

I wish I could offer as favorable a report on our own security performance within the Government. The number of unauthorized leaks of highly classified information in the past year and a half has been totally unacceptable. On a number of occasions I have said in public speeches that the greatest impediment our intelligence activities face today is our inability to keep classified information out of the newspapers, let alone free from espionage. I am particularly shagrined that one of the most damaging lapses of security occurred within the Central Intelligence Agency itself. I refer to the case of Mr. William P. Kampiles, who resigned from the Agency in November 1977 and took with him a highly classified publication which he sold in February 1978 to a member of the Soviet Embassy in Athens, Greece, for \$3,000.

In our reconstruction of this event, with a great deal of help from the interrogation of Mr. Kampiles on a polygraph machine both before and after his trial and conviction, we believe that he simply folded a technical manual and placed it in his coat pocket one day when he walked out of the Agency headquarters. He claims, and we believe, that he was dissatisfied because we had turned down his application to become a clandestine officer who would work with agents overseas. Instead, he thought he could take things into his own hands by selling this manual to the Soviets and somehow turning himself into a double agent. His plans, of course, went awry and he now faces 40 years in jail.

As we look back on it, it is clear that we made a number of errors in our own security procedures. It is, of course, almost impossible to have sufficient inspections and controls to prevent a determined individual from removing classified papers. Yet, it is clear that overall security alertness was lacking in and around where Mr. Kampiles worked. None of his fellow employees detected his dissatisfaction. Beyond that, the general attitude surrounding the control of the kind of document which he purloined was too permissive.

We have taken a number of steps to tighten procedures: increasing the frequency of our repolygraph program; instituting regular rather than spot inspections of briefcases and packages being taken out of our buildings; reducing the number of classified documents on hand to the minimum required; reducing the number of people having access to codeword material by means of a zero-based review of all existing clearances; and generally enhancing attention to security consciousness.

I have taken the liberty of imposing on you to mention both my pleasure at the improvements in industrial security and my displeasure at the lapses in Government, and particularly CIA, security because we must continue to work together to keep your security high and to improve ours. Two years ago I believe industrial security was below standards because of improper complacency; in recent months we have clearly faced the same phenomenon within the Government. Only if we both insist on high standards of security consciousness can we prevent lapses in the future in either area. I thank you for your attention and cooperation and express my appreciation for the general level of accomplishment within the industrial sector. I pledge to you that we will work very hard to match your performance in the government sector. If at any time you have thoughts as to how we can improve security on either the industrial or Government levels, please share them with me.

2 March 1979

THE CONTINUING IMPROVEMENT
OF AMERICAN INTELLIGENCE CAPABILITIES

Our nation's intelligence activities are undergoing profound changes which already are demonstrating improved performance and potential. There are three factors forcing these changes:

-- The changed role which the United States sees for itself in international affairs since the end of the Vietnam war;

-- The greater interest of the American public in matters of intelligence since the investigations of intelligence abuses during 1975-1976;

-- The burgeoning capabilities, and costs, of sophisticated intelligence collecting techniques.

Let us examine each of these factors and what adaptations of the traditional approach to intelligence they dictate.

Changing U.S. Role in the World.

Limits on intervention and influence

Need for longer term approach built on more subtle understanding of international, political, economic, as well as military, events.

Former stress on military intell necessary and still required. Additive requirements in econ., pol., terror, scientific, narcotics, etc.

More than development of new disciplines, interdisciplinary stress and more assets

New approach to estimative process

Displaying the facts has been key point in military estimates

Military disdain for estimates of intentions
Lead to a style of estimating that emphasized consensus among CIA, DIA, Services and State

Not too dangerous

Aircraft range -- if estimates are 2,000 and 1,000, 1,500 probably reasonable best guess (both estimators have taken extreme positions in anticipation of compromise)

In econ/pol estimating or mil intentions--quite the contrary--

Whether enemy will attack on Monday or Friday?

Wednesday only surely wrong answer

(Another example)

Therefore 2 approaches required:

1. Decisive choice
2. Display of alternative argumentation

Thus the estimating process is evolving:

DCI as President's senior intell advisor must be intimately involved in estimating process in order to:

- give sound advice;
- ensure that estimating process does not degenerate into "least common denominator" compromises that have characterized past

When are differences, however, essential that they be explained --

In pol/econ spheres much more important than mil --
is essence of intell product -- explication of
pressures pro and con more valuable than flat predictions
Thus change today is to strengthen DCI authority to
coordinate estimates, but to ensure independence of
DIA, INR, etc.; and full explication of their views
when different from DCI's.

Increased Public Attention to Intelligence.

Investigations eroded confidence, support

Generated suspicions of invasions of privacy

Enough time (even tho whole exaggerated) that
corrective action necessary

Action very thorough

Oversight procedures

Including press

Impact

Much greater visibility

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1. Uncomfortable

Secrecy -- necessity and habit

2. Accountability --

New --

Techniques unfamiliar

Have adapted beautifully --

but painful

Super budget presentations

3. Lesser capability

Especially C.A.

1. Leaks

Domestic political issues -

Congress

Controversial policy issues -

Exec. Branch

Hughes - Ryan?

2. Loss of flexibility due detailed
guidance/control

Won't work that way

Spillover inhibition to intell.
collection

Net

Plus -

Must have public support

Must avoid abuses

Charters and practice of next 2-3 years will

establish balance -

How much does nation desire assurance against
invasions of privacy and foreign policy moves
considered unethical at some expense in
intell/covert action capabilities

Burgeoning Technical Capabilities.

New dimension intell

Magnificent opportunities if utilized well

Missing mechanism -

coordination of 3 elements

Each an intell community on own -

Collect

Interpret

Produce

Especially need integrate HUMINT (dissertation on
value of HUMINT)

Can't afford

Cost

Missed opportunities

Pres. E.O. - strengthen DCI

Budget

As noted going well

Tasking

Incipient stages

Objective - max utilization of each system

Not how to do - but where/when to
bring forward - vice dependence on
personal contacts between analysts and
collectors

e.g. NFAC - DDO

e.g. DIA - NSA

Also help to analysts - one-stop service

Major problem

Transition to greater dependence of tactical
commanders on national systems

Potential is there

Can't afford duplication

Yet CDR must have

1. Responsiveness
2. Confidence

Difficult generate confidence if not under direct control

But many other elements of battle are not

Comm

Logistics

Inter-service support

Delicate balance

Instinctively military will draw into shell and
recreate own systems under IRA and duplicate

Can't afford